



## 98TH GENERAL ASSEMBLY

### State of Illinois

### 2013 and 2014

### SB2387

Introduced 2/15/2013, by Sen. Karen McConnaughay

#### SYNOPSIS AS INTRODUCED:

70 ILCS 3605/28a	from Ch. 111 2/3, par. 328a
70 ILCS 3605/30	from Ch. 111 2/3, par. 330
70 ILCS 3605/34	from Ch. 111 2/3, par. 334
70 ILCS 3615/2.04	from Ch. 111 2/3, par. 702.04
70 ILCS 3615/3A.10	from Ch. 111 2/3, par. 703A.10
70 ILCS 3615/3B.10	from Ch. 111 2/3, par. 703B.10
70 ILCS 3615/4.11	from Ch. 111 2/3, par. 704.11

Amends the Regional Transportation Authority Act and the Metropolitan Transit Authority Act. Requires that the budget and 2-year financial plan submitted by each Service Board (Chicago Transit Authority, Suburban Bus Board, and Commuter Rail Board) to the Regional Transportation Authority must be approved by the Chairman of the Board of Directors of the Regional Transportation Authority. Provides that the Chairman of the Board of Directors of the Regional Transportation Authority may reduce or veto any item of appropriations in the budget or plan submitted by a Service Board and shall return the item vetoed or reduced with his or her objections to the Board of the Regional Transportation Authority. Sets forth the procedure for the Board of the Regional Transportation Authority to override the Chairman's veto. Makes conforming changes in provisions concerning the approval of a Service Board's revised budget. Effective January 1, 2014.

LRB098 07949 MLW 38038 b

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Metropolitan Transit Authority Act is  
5 amended by changing Sections 28a, 30, and 34 as follows:

6 (70 ILCS 3605/28a) (from Ch. 111 2/3, par. 328a)

7 Sec. 28a. Contracts with labor organizations; collective  
8 bargaining agreements.

9 (a) The Board may deal with and enter into written  
10 contracts with the employees of the Authority through  
11 accredited representatives of such employees or  
12 representatives of any labor organization authorized to act for  
13 such employees, concerning wages, salaries, hours, working  
14 conditions and pension or retirement provisions; provided,  
15 nothing herein shall be construed to permit hours of labor in  
16 excess of those provided by law or to permit working conditions  
17 prohibited by law. In case of dispute over wages, salaries,  
18 hours, working conditions, or pension or retirement provisions  
19 the Board may arbitrate any question or questions and may agree  
20 with such accredited representatives or labor organization  
21 that the decision of a majority of any arbitration board shall  
22 be final, provided each party shall agree in advance to pay  
23 half of the expense of such arbitration.

1           No contract or agreement shall be made with any labor  
2 organization, association, group or individual for the  
3 employment of members of such organization, association, group  
4 or individual for the construction, improvement, maintenance,  
5 operation or administration of any property, plant or  
6 facilities under the jurisdiction of the Authority, where such  
7 organization, association, group or individual denies on the  
8 ground of race, creed, color, sex, religion, physical or mental  
9 handicap unrelated to ability, or national origin membership  
10 and equal opportunities for employment to any citizen of  
11 Illinois.

12           (b)(1) The provisions of this paragraph (b) apply to  
13 collective bargaining agreements (including extensions and  
14 amendments of existing agreements) entered into on or after  
15 January 1, 1984.

16           (2) The Board shall deal with and enter into written  
17 contracts with their employees, through accredited  
18 representatives of such employees authorized to act for such  
19 employees concerning wages, salaries, hours, working  
20 conditions, and pension or retirement provisions about which a  
21 collective bargaining agreement has been entered prior to the  
22 effective date of this amendatory Act of 1983. Any such  
23 agreement of the Authority shall provide that the agreement may  
24 be reopened if the amended budget submitted pursuant to Section  
25 2.18a of the Regional Transportation Authority Act is not  
26 approved by the Board of the Regional Transportation Authority.

1 The agreement may not include a provision requiring the payment  
2 of wage increases based on changes in the Consumer Price Index.  
3 The Board shall not have the authority to enter into collective  
4 bargaining agreements with respect to inherent management  
5 rights, which include such areas of discretion or policy as the  
6 functions of the employer, standards of services, its overall  
7 budget, the organizational structure and selection of new  
8 employees and direction of personnel. Employers, however,  
9 shall be required to bargain collectively with regard to policy  
10 matters directly affecting wages, hours and terms and  
11 conditions of employment, as well as the impact thereon upon  
12 request by employee representatives. To preserve the rights of  
13 employers and exclusive representatives which have established  
14 collective bargaining relationships or negotiated collective  
15 bargaining agreements prior to the effective date of this  
16 amendatory Act of 1983, employers shall be required to bargain  
17 collectively with regard to any matter concerning wages, hours  
18 or conditions of employment about which they have bargained  
19 prior to the effective date of this amendatory Act of 1983.

20 (3) The collective bargaining agreement may not include a  
21 prohibition on the use of part-time operators on any service  
22 operated by or funded by the Board, except where prohibited by  
23 federal law.

24 (4) Within 30 days of the signing of any such collective  
25 bargaining agreement, the Board shall determine the costs of  
26 each provision of the agreement, prepare an amended budget

1 incorporating the costs of the agreement, and present the  
2 amended budget to the Chairman of the Board of the Regional  
3 Transportation Authority for its approval under Section 4.11 of  
4 the Regional Transportation Authority Act. The Chairman of the  
5 Board of the Regional Transportation Authority may approve the  
6 amended budget ~~by an affirmative vote of 12 of its then~~  
7 ~~Directors~~. If the budget is not approved by the Chairman of the  
8 Board of the Regional Transportation Authority, the agreement  
9 may be reopened and its terms may be renegotiated. Any amended  
10 budget which may be prepared following renegotiation shall be  
11 presented to the Chairman of the Board of the Regional  
12 Transportation Authority for his or her ~~its~~ approval as set  
13 forth in Section 4.11 of the Regional Transportation Authority  
14 Act in like manner.

15  
16 (Source: P.A. 95-708, eff. 1-18-08.)

17 (70 ILCS 3605/30) (from Ch. 111 2/3, par. 330)

18 Sec. 30. Rules and regulations; fares. The Board shall make  
19 all rules and regulations governing the operation of the  
20 transportation system, shall determine all routings and change  
21 the same whenever it is deemed advisable by the Board, subject  
22 to the provisions of any ordinance granting rights to the  
23 Authority. ~~The Except as provided in Sections 2.04 and~~  
24 ~~4.11(b)(5) of the Regional Transportation Authority Act, the~~  
25 Board shall fix rates, fares and charges for transportation,

1 provided that they shall be at all times sufficient in the  
2 aggregate to provide revenues (a) for the payment of the  
3 interest on and principal of all bonds, certificates and other  
4 obligations payable from said revenues and to meet all other  
5 charges upon such revenues as provided by any trust agreement  
6 executed by the Authority in connection with the issuance of  
7 bonds or certificates under this Act, (b) for the payment of  
8 all operating costs including all charges which may be incurred  
9 pursuant to Sections 29 and 39 of this Act and all other costs  
10 and charges incidental to the operation of the transportation  
11 system, (c) for the payment of all costs and charges incurred  
12 pursuant to Sections 37 and 38 of this Act and any other costs  
13 and charges for acquisition, installation, construction or for  
14 replacement or reconstruction of equipment, structures or  
15 rights of way not financed through issuance of bonds or  
16 certificates under Section 12 of this Act, and (d) for any  
17 compensation required to be paid to any municipality for the  
18 use of streets, subways and other public ways. The Board may  
19 provide free transportation within any municipality in and by  
20 which they are employed for firemen and public health nurses,  
21 when in uniform, and policemen when in uniform or, when not in  
22 uniform, upon presentation of identification as policemen, and  
23 shall provide free transportation to sworn law enforcement  
24 personnel of the Cook County Sheriff's Department when in  
25 uniform or, when not in uniform, upon presentation of  
26 identification as sworn law enforcement personnel of the Cook

1 County Sheriff's Department, and may provide free  
2 transportation for employees of the Authority when in uniform  
3 or upon presentation of identification as such employees, and  
4 may enter into agreements with the United States Post Office  
5 Department for the transportation of mail, and the payment of  
6 compensation to the Authority in lieu of fares for the  
7 transportation of letter carriers, when in uniform at all  
8 times.

9 The Board may also provide free transportation, or  
10 transportation at reduced fares, to all or designated classes  
11 of pupils in attendance at public schools of school districts  
12 within or partly within the territorial limits of the  
13 Authority, or in attendance at private schools offering grades  
14 of instruction comparable to those offered in public schools,  
15 under such conditions as shall be prescribed by the Board, and,  
16 if otherwise authorized by law, the Board may contract with  
17 public school boards and representatives of private schools,  
18 for reimbursement of pupil transportation costs from public  
19 funds.

20 (Source: P.A. 97-85, eff. 7-7-11.)

21 (70 ILCS 3605/34) (from Ch. 111 2/3, par. 334)

22 Sec. 34. Budget and Program. The Authority, subject to the  
23 powers of the Regional Transportation Authority in Section 4.11  
24 of the Regional Transportation Authority Act, shall control the  
25 finances of the Authority. It shall by ordinance appropriate

1 money to perform the Authority's purposes and provide for  
2 payment of debts and expenses of the Authority. Each year the  
3 Authority shall prepare and publish a comprehensive annual  
4 budget and five-year capital program document, and a financial  
5 plan for the 2 years thereafter describing the state of the  
6 Authority and presenting for the forthcoming fiscal year and  
7 the two following years the Authority's plans for such  
8 operations and capital expenditures as it intends to undertake  
9 and the means by which it intends to finance them. The proposed  
10 budget, financial plan, and five-year capital program shall be  
11 based on the Regional Transportation Authority's estimate of  
12 funds to be made available to the Authority by or through the  
13 Regional Transportation Authority and shall conform in all  
14 respects to the requirements established by the Regional  
15 Transportation Authority. The proposed budget, financial plan,  
16 and five-year capital program shall contain a statement of the  
17 funds estimated to be on hand at the beginning of the fiscal  
18 year, the funds estimated to be received from all sources for  
19 such year and the funds estimated to be on hand at the end of  
20 such year. The proposed budget, financial plan, and five-year  
21 capital program shall be available at no cost for public  
22 inspection at the Authority's main office and at the Regional  
23 Transportation Authority's main office at least 3 weeks prior  
24 to any public hearing. Before the proposed budget, financial  
25 plan, and five-year capital program are submitted to the  
26 Regional Transportation Authority, the Authority shall hold at

1 least one public hearing thereon in each of the counties in  
2 which the Authority provides service. All Board members of the  
3 Authority shall attend a majority of the public hearings unless  
4 reasonable cause is given for their absence. After the public  
5 hearings, the Board of the Authority shall hold at least one  
6 meeting for consideration of the proposed program and budget  
7 with the Cook County Board. After conducting such hearings and  
8 holding such meetings and after making such changes in the  
9 proposed budget, financial plan, and five-year capital program  
10 as the Board deems appropriate, it shall adopt an annual budget  
11 ordinance at least by November 15th preceding the beginning of  
12 each fiscal year. The budget, financial plan, and five-year  
13 capital program shall then be submitted to the Regional  
14 Transportation Authority as provided in Section 4.11 of the  
15 Regional Transportation Authority Act.

16 ~~If In the event that~~ the Chairman of the Board of the  
17 Regional Transportation Authority determines that the budget,  
18 financial plan, and five-year capital program do not meet the  
19 standards of said Section 4.11, then the Board must submit to  
20 the Authority an amended budget ordinance as set forth in  
21 Section 4.11 of the Regional Transportation Authority Act. ~~7~~  
22 ~~the Board of the Authority shall make such changes as are~~  
23 ~~necessary to meet such requirements and adopt an amended budget~~  
24 ~~ordinance. The amended budget ordinance shall be resubmitted to~~  
25 ~~the Regional Transportation Authority pursuant to said Section~~  
26 ~~4.11.~~ The ordinance shall appropriate such sums of money as are

1 deemed necessary to defray all necessary expenses and  
2 obligations of the Authority, specifying purposes and the  
3 objects or programs for which appropriations are made and the  
4 amount appropriated for each object or program. Additional  
5 appropriations, transfers between items and other changes in  
6 such ordinance which do not alter the basis upon which the  
7 balanced budget determination was made by the Regional  
8 Transportation Authority may be made from time to time by the  
9 Board.

10 The budget shall:

11 (i) show a balance between (A) anticipated revenues  
12 from all sources including operating subsidies and (B) the  
13 costs of providing the services specified and of funding  
14 any operating deficits or encumbrances incurred in prior  
15 periods, including provision for payment when due of  
16 principal and interest on outstanding indebtedness;

17 (ii) show cash balances including the proceeds of any  
18 anticipated cash flow borrowing sufficient to pay with  
19 reasonable promptness all costs and expenses as incurred;

20 (iii) provide for a level of fares or charges and  
21 operating or administrative costs for the public  
22 transportation provided by or subject to the jurisdiction  
23 of the Board sufficient to allow the Board to meet its  
24 required system generated revenue recovery ratio as  
25 determined in accordance with subsection (a) of Section  
26 4.11 of the Regional Transportation Authority Act;

1 (iv) be based upon and employ assumptions and  
2 projections which are reasonable and prudent;

3 (v) have been prepared in accordance with sound  
4 financial practices as determined by the Board of the  
5 Regional Transportation Authority;

6 (vi) meet such other financial, budgetary, or fiscal  
7 requirements that the Board of the Regional Transportation  
8 Authority may by rule or regulation establish; ~~and~~

9 (vii) be consistent with the goals and objectives  
10 adopted by the Regional Transportation Authority in the  
11 Strategic Plan; and -

12 (viii) include specific line-items for revenues and  
13 expenses.

14 The Board shall establish a fiscal operating year. At least  
15 thirty days prior to the beginning of the first full fiscal  
16 year after the creation of the Authority, and annually  
17 thereafter, the Board shall cause to be prepared a tentative  
18 budget which shall include all operation and maintenance  
19 expense for the ensuing fiscal year. The tentative budget shall  
20 be considered by the Board and, subject to any revision and  
21 amendments as may be determined, shall be adopted prior to the  
22 first day of the ensuing fiscal year as the budget for that  
23 year. No expenditures for operations and maintenance in excess  
24 of the budget shall be made during any fiscal year except by  
25 the affirmative vote of at least five members of the Board. It  
26 shall not be necessary to include in the annual budget any

1 statement of necessary expenditures for pensions or retirement  
2 annuities, or for interest or principal payments on bonds or  
3 certificates, or for capital outlays, but it shall be the duty  
4 of the Board to make provision for payment of same from  
5 appropriate funds. The Board may not alter its fiscal year  
6 without the prior approval of the Board of the Regional  
7 Transportation Authority.

8 (Source: P.A. 95-708, eff. 1-18-08.)

9 Section 10. The Regional Transportation Authority Act is  
10 amended by changing Sections 2.04, 3A.10, 3B.10, and 4.11 as  
11 follows:

12 (70 ILCS 3615/2.04) (from Ch. 111 2/3, par. 702.04)

13 Sec. 2.04. Fares and Nature of Service.

14 (a) Whenever a Service Board provides any public  
15 transportation by operating public transportation facilities,  
16 the Service Board shall provide for the level and nature of  
17 fares or charges to be made for such services, and the nature  
18 and standards of public transportation to be so provided that  
19 meet the goals and objectives adopted by the Authority in the  
20 Strategic Plan. Provided, however that if , prior to the  
21 effective date of this amendatory Act of the 98th General  
22 Assembly, the Board adopts a budget and financial plan for a  
23 Service Board in accordance with the provisions in Section  
24 4.11(b)(5), the Board may consistent with the terms of any

1 purchase of service contract provide for the level and nature  
2 of fares to be made for such services under the jurisdiction of  
3 that Service Board, and the nature and standards of public  
4 transportation to be so provided.

5 (b) Whenever a Service Board provides any public  
6 transportation pursuant to grants made after June 30, 1975, to  
7 transportation agencies for operating expenses (other than  
8 with regard to experimental programs) or pursuant to any  
9 purchase of service agreement, the purchase of service  
10 agreement or grant contract shall provide for the level and  
11 nature of fares or charges to be made for such services, and  
12 the nature and standards of public transportation to be so  
13 provided. A Service Board shall require all transportation  
14 agencies with which it contracts, or from which it purchases  
15 transportation services or to which it makes grants to provide  
16 half fare transportation for their student riders if any of  
17 such agencies provide for half fare transportation to their  
18 student riders.

19 (c) In so providing for the fares or charges and the nature  
20 and standards of public transportation, any purchase of service  
21 agreements or grant contracts shall provide, among other  
22 matters, for the terms or cost of transfers or interconnections  
23 between different modes of transportation and different public  
24 transportation agencies, schedules or routes of such service,  
25 changes which may be made in such service, the nature and  
26 condition of the facilities used in providing service, the

1 manner of collection and disposition of fares or charges, the  
2 records and reports to be kept and made concerning such  
3 service, for interchangeable tickets or other coordinated or  
4 uniform methods of collection of charges, and shall further  
5 require that the transportation agency comply with any  
6 determination made by the Board of the Authority under and  
7 subject to the provisions of Section 2.12b of this Act. In  
8 regard to any such service, the Authority and the Service  
9 Boards shall give attention to and may undertake programs to  
10 promote use of public transportation and to provide coordinated  
11 ticket sales and passenger information. In the case of a grant  
12 to a transportation agency which remains subject to Illinois  
13 Commerce Commission supervision and regulation, the Service  
14 Boards shall exercise the powers set forth in this Section in a  
15 manner consistent with such supervision and regulation by the  
16 Illinois Commerce Commission.

17 (d) By January 1, 2013, the Authority, in consultation with  
18 the Service Boards and the general public, must develop a  
19 policy regarding transfer fares on all fixed-route public  
20 transportation services provided by the Service Boards. The  
21 policy shall also set forth the fare sharing agreements between  
22 the Service Boards that apply to interagency fare passes and  
23 tickets. The policy established by the Authority shall be  
24 submitted to each of the Service Boards for its approval or  
25 comments and objection. After receiving the policy, the Service  
26 Boards have 90 days to approve or take other action regarding

1 the policy. If all of the Service Boards agree to the policy,  
2 then a regional agreement shall be created and signed by each  
3 of the Service Boards. The terms of the agreement may be  
4 changed upon petition by any of the Service Boards and by  
5 agreement of the other Service Boards.

6 (e) By January 1, 2015, the Authority must develop and  
7 implement a regional fare payment system. The regional fare  
8 payment system must use and conform with established  
9 information security industry standards and requirements of  
10 the financial industry. The system must allow consumers to use  
11 contactless credit cards, debit cards, and prepaid cards to pay  
12 for all fixed-route public transportation services. Beginning  
13 in 2012 and each year thereafter until 2015, the Authority must  
14 submit an annual report to the Governor and General Assembly  
15 describing the progress of the Authority and each of the  
16 Service Boards in implementing the regional fare payment  
17 system. The Authority must adopt rules to implement the  
18 requirements set forth in this Section.

19 (Source: P.A. 97-85, eff. 7-7-11.)

20 (70 ILCS 3615/3A.10) (from Ch. 111 2/3, par. 703A.10)

21 Sec. 3A.10. Budget and Program. The Suburban Bus Board,  
22 subject to the powers of the Authority in Section 4.11, shall  
23 control the finances of the Division. It shall by ordinance  
24 appropriate money to perform the Division's purposes and  
25 provide for payment of debts and expenses of the Division. Each

1 year the Suburban Bus Board shall prepare and publish a  
2 comprehensive annual budget and proposed five-year capital  
3 program document, and a financial plan for the 2 years  
4 thereafter describing the state of the Division and presenting  
5 for the forthcoming fiscal year and the 2 following years the  
6 Suburban Bus Board's plans for such operations and capital  
7 expenditures as it intends to undertake and the means by which  
8 it intends to finance them. The proposed budget, financial  
9 plan, and five-year capital program shall be based on the  
10 Authority's estimate of funds to be made available to the  
11 Suburban Bus Board by or through the Authority and shall  
12 conform in all respects to the requirements established by the  
13 Authority. The proposed budget, financial plan, and five-year  
14 capital program shall contain a statement of the funds  
15 estimated to be on hand at the beginning of the fiscal year,  
16 the funds estimated to be received from all sources for such  
17 year and the funds estimated to be on hand at the end of such  
18 year. The fiscal year of the Division shall be the same as the  
19 fiscal year of the Authority. Before the proposed budget,  
20 financial plan, and five-year capital program are submitted to  
21 the Authority, the Suburban Bus Board shall hold at least one  
22 public hearing thereon in each of the counties in the  
23 metropolitan region in which the Division provides service. The  
24 Suburban Bus Board shall hold at least one meeting for  
25 consideration of the proposed budget, financial plan, and  
26 five-year capital program with the county board of each of the

1 several counties in the metropolitan region in which the  
2 Division provides service. After conducting such hearings and  
3 holding such meetings and after making such changes in the  
4 proposed budget, financial plan, and five-year capital program  
5 as the Suburban Bus Board deems appropriate, it shall adopt an  
6 annual budget ordinance at least by November 15 next preceding  
7 the beginning of each fiscal year. The budget, financial plan,  
8 and five-year capital program shall then be submitted to the  
9 Authority as provided in Section 4.11. In the event that the  
10 Chairman of the Board of the Authority determines that the  
11 budget and financial plan do not meet the standards of Section  
12 4.11, the Suburban Bus Board shall make such changes as are  
13 necessary to meet such requirements and adopt an amended budget  
14 ordinance. The amended budget ordinance shall be resubmitted to  
15 the Authority pursuant to Section 4.11. The ordinance shall  
16 appropriate such sums of money as are deemed necessary to  
17 defray all necessary expenses and obligations of the Division,  
18 specifying purposes and the objects or programs for which  
19 appropriations are made and the amount appropriated for each  
20 object or program. Additional appropriations, transfers  
21 between items and other changes in such ordinance which do not  
22 alter the basis upon which the balanced budget determination  
23 was made by the Chairman of the Board of the Authority may be  
24 made from time to time by the Suburban Bus Board.

25 The budget shall:

26 (i) show a balance between (A) anticipated revenues

1 from all sources including operating subsidies and (B) the  
2 costs of providing the services specified and of funding  
3 any operating deficits or encumbrances incurred in prior  
4 periods, including provision for payment when due of  
5 principal and interest on outstanding indebtedness;

6 (ii) show cash balances including the proceeds of any  
7 anticipated cash flow borrowing sufficient to pay with  
8 reasonable promptness all costs and expenses as incurred;

9 (iii) provide for a level of fares or charges and  
10 operating or administrative costs for the public  
11 transportation provided by or subject to the jurisdiction  
12 of the Suburban Bus Board sufficient to allow the Suburban  
13 Bus Board to meet its required system generated revenues  
14 recovery ratio and, beginning with the 2007 fiscal year,  
15 its system generated ADA paratransit services revenue  
16 recovery ratio;

17 (iv) be based upon and employ assumptions and  
18 projections which are reasonable and prudent;

19 (v) have been prepared in accordance with sound  
20 financial practices as determined by the Board of the  
21 Authority;

22 (vi) meet such other uniform financial, budgetary, or  
23 fiscal requirements that the Board of the Authority may by  
24 rule or regulation establish; ~~and~~

25 (vii) be consistent with the goals and objectives  
26 adopted by the Regional Transportation Authority in the

1 Strategic Plan; and -  
2 (viii) include specific line-items for revenues and  
3 expenses.

4 (Source: P.A. 94-370, eff. 7-29-05; 95-708, eff. 1-18-08.)

5 (70 ILCS 3615/3B.10) (from Ch. 111 2/3, par. 703B.10)

6 Sec. 3B.10. Budget and Program. The Commuter Rail Board,  
7 subject to the powers of the Authority in Section 4.11, shall  
8 control the finances of the Division. It shall by ordinance  
9 appropriate money to perform the Division's purposes and  
10 provide for payment of debts and expenses of the Division. Each  
11 year the Commuter Rail Board shall prepare and publish a  
12 comprehensive annual budget and proposed five-year capital  
13 program document, and a financial plan for the two years  
14 thereafter describing the state of the Division and presenting  
15 for the forthcoming fiscal year and the two following years the  
16 Commuter Rail Board's plans for such operations and capital  
17 expenditures as the Commuter Rail Board intends to undertake  
18 and the means by which it intends to finance them. The proposed  
19 budget, financial plan, and five-year capital program shall be  
20 based on the Authority's estimate of funds to be made available  
21 to the Commuter Rail Board by or through the Authority and  
22 shall conform in all respects to the requirements established  
23 by the Authority. The proposed budget, financial plan, and  
24 five-year capital program shall contain a statement of the  
25 funds estimated to be on hand at the beginning of the fiscal

1 year, the funds estimated to be received from all sources for  
2 such year and the funds estimated to be on hand at the end of  
3 such year. The fiscal year of the Division shall be the same as  
4 the fiscal year of the Authority. Before the proposed budget,  
5 financial plan, and five-year capital program are submitted to  
6 the Authority, the Commuter Rail Board shall hold at least one  
7 public hearing thereon in each of the counties in the  
8 metropolitan region in which the Division provides service. The  
9 Commuter Rail Board shall hold at least one meeting for  
10 consideration of the proposed budget, financial plan, and  
11 five-year capital plan with the county board of each of the  
12 several counties in the metropolitan region in which the  
13 Division provides service. After conducting such hearings and  
14 holding such meetings and after making such changes in the  
15 proposed budget, financial plan, and five-year capital plan as  
16 the Commuter Rail Board deems appropriate, the board shall  
17 adopt its annual budget ordinance at least by November 15 next  
18 preceding the beginning of each fiscal year. The budget,  
19 financial plan, and five-year capital program shall then be  
20 submitted to the Authority as provided in Section 4.11. In the  
21 event that the Chairman of the Board of the Authority  
22 determines that the budget and program, and financial plan do  
23 not meet the standards of Section 4.11, the Commuter Rail Board  
24 shall make such changes as are necessary to meet such  
25 requirements and adopt an amended budget ordinance. The amended  
26 budget ordinance shall be resubmitted to the Authority pursuant

1 to Section 4.11. The ordinance shall appropriate such sums of  
2 money as are deemed necessary to defray all necessary expenses  
3 and obligations of the Division, specifying purposes and the  
4 objects or programs for which appropriations are made and the  
5 amount appropriated for each object or program. Additional  
6 appropriations, transfers between items and other changes in  
7 such ordinance which do not alter the basis upon which the  
8 balanced budget determination was made by the Chairman of the  
9 Board of the Authority may be made from time to time by the  
10 Commuter Rail Board.

11 The budget shall:

12 (i) show a balance between (A) anticipated revenues  
13 from all sources including operating subsidies and (B) the  
14 costs of providing the services specified and of funding  
15 any operating deficits or encumbrances incurred in prior  
16 periods, including provision for payment when due of  
17 principal and interest on outstanding indebtedness;

18 (ii) show cash balances including the proceeds of any  
19 anticipated cash flow borrowing sufficient to pay with  
20 reasonable promptness all costs and expenses as incurred;

21 (iii) provide for a level of fares or charges for the  
22 public transportation provided by or subject to the  
23 jurisdiction of such Commuter Rail Board sufficient to  
24 allow the Commuter Rail Board to meet its required system  
25 generated revenue recovery ratio;

26 (iv) be based upon and employ assumptions and

1 projections which the Board of the Authority finds to be  
2 reasonable and prudent;

3 (v) have been prepared in accordance with sound  
4 financial practices as determined by the Board of the  
5 Authority;

6 (vi) meet such other uniform financial, budgetary, or  
7 fiscal requirements that the Board of the Authority may by  
8 rule or regulation establish; ~~and~~

9 (vii) be consistent with the goals and objectives  
10 adopted by the Regional Transportation Authority in the  
11 Strategic Plan; and ~~and~~

12 (viii) include specific line-items for revenues and  
13 expenses.

14 (Source: P.A. 95-708, eff. 1-18-08.)

15 (70 ILCS 3615/4.11) (from Ch. 111 2/3, par. 704.11)

16 Sec. 4.11. Budget Review Powers.

17 (a) Based upon estimates which shall be given to the  
18 Authority by the Director of the Governor's Office of  
19 Management and Budget (formerly Bureau of the Budget) of the  
20 receipts to be received by the Authority from the taxes imposed  
21 by the Authority and the authorized estimates of amounts to be  
22 available from State and other sources to the Service Boards,  
23 and the times at which such receipts and amounts will be  
24 available, the Board shall, not later than the next preceding  
25 September 15th prior to the beginning of the Authority's next

1 fiscal year, advise each Service Board of the amounts estimated  
2 by the Board to be available for such Service Board during such  
3 fiscal year and the two following fiscal years and the times at  
4 which such amounts will be available. The Board shall, at the  
5 same time, also advise each Service Board of its required  
6 system generated revenues recovery ratio for the next fiscal  
7 year which shall be the percentage of the aggregate costs of  
8 providing public transportation by or under jurisdiction of  
9 that Service Board which must be recovered from system  
10 generated revenues. The Board shall, at the same time, consider  
11 the written determination of the Executive Director, made  
12 pursuant to Section 2.01d, of the costs of ADA paratransit  
13 services that are required to be provided under the federal  
14 Americans with Disabilities Act of 1990 and its implementing  
15 regulations, and shall amend the current year budgets of the  
16 Authority and the Service Boards to provide for additional  
17 funding for the provision of ADA paratransit services, if  
18 needed. The Board shall, at the same time, beginning with the  
19 2007 fiscal year, also advise each Service Board that provides  
20 ADA paratransit services of its required system generated ADA  
21 paratransit services revenue recovery ratio for the next fiscal  
22 year which shall be the percentage of the aggregate costs of  
23 providing ADA paratransit services by or under jurisdiction of  
24 that Service Board which must be recovered from fares charged  
25 for such services, except that such required system generated  
26 ADA paratransit services revenue recovery ratio shall not

1 exceed the minimum percentage established pursuant to Section  
2 4.01(b)(ii) of this Act. In determining a Service Board's  
3 system generated revenue recovery ratio, the Board shall  
4 consider the historical system generated revenues recovery  
5 ratio for the services subject to the jurisdiction of that  
6 Service Board. The Board shall not increase a Service Board's  
7 system generated revenues recovery ratio for the next fiscal  
8 year over such ratio for the current fiscal year  
9 disproportionately or prejudicially to increases in such  
10 ratios for other Service Boards. The Board may, by ordinance,  
11 provide that (i) the cost of research and development projects  
12 in the fiscal year beginning January 1, 1986 and ending  
13 December 31, 1986 conducted pursuant to Section 2.09 of this  
14 Act, (ii) the costs for passenger security, and (iii)  
15 expenditures of amounts granted to a Service Board from the  
16 Innovation, Coordination, and Enhancement Fund for operating  
17 purposes may be exempted from the farebox recovery ratio or the  
18 system generated revenues recovery ratio of the Chicago Transit  
19 Authority, the Suburban Bus Board, and the Commuter Rail Board,  
20 or any of them. During fiscal years 2008 through 2012, the  
21 Board may also allocate the exemption of \$200,000,000 and the  
22 reducing amounts of costs provided by this amendatory Act of  
23 the 95th General Assembly from the farebox recovery ratio or  
24 system generated revenues recovery ratio of each Service Board.

25 (b)(1) Not later than the next preceding November 15 prior  
26 to the commencement of such fiscal year, each Service Board

1 shall submit to the Authority its proposed budget for such  
2 fiscal year and its proposed financial plan for the two  
3 following fiscal years. Such budget and financial plan shall  
4 (i) be prepared in the format, follow the financial and  
5 budgetary practices, and be based on any assumptions and  
6 projections required by the Authority and (ii) not project or  
7 assume a receipt of revenues from the Authority in amounts  
8 greater than those set forth in the estimates provided by the  
9 Authority pursuant to subsection (a) of this Section.

10 (2) The Board shall review the proposed budget and two-year  
11 financial plan submitted by each Service Board. The Board shall  
12 make a recommendation to the Chairman of the Board that the  
13 Chairman approve or disapprove the budget and plan. The budget  
14 and plan may not be considered approved until the budget and  
15 plan have the approval of the Chairman of the Board. The Board  
16 shall recommend the approval of ~~approve~~ the budget and two-year  
17 financial plan of a Service Board if:

18 (i) such budget and plan show a balance between (A)  
19 anticipated revenues from all sources including operating  
20 subsidies and (B) the costs of providing the services  
21 specified and of funding any operating deficits or  
22 encumbrances incurred in prior periods, including  
23 provision for payment when due of principal and interest on  
24 outstanding indebtedness;

25 (ii) such budget and plan show cash balances including  
26 the proceeds of any anticipated cash flow borrowing

1 sufficient to pay with reasonable promptness all costs and  
2 expenses as incurred;

3 (iii) such budget and plan provide for a level of fares  
4 or charges and operating or administrative costs for the  
5 public transportation provided by or subject to the  
6 jurisdiction of such Service Board sufficient to allow the  
7 Service Board to meet its required system generated revenue  
8 recovery ratio and, beginning with the 2007 fiscal year,  
9 system generated ADA paratransit services revenue recovery  
10 ratio;

11 (iv) such budget and plan are based upon and employ  
12 assumptions and projections which are reasonable and  
13 prudent;

14 (v) such budget and plan have been prepared in  
15 accordance with sound financial practices as determined by  
16 the Board;

17 (vi) such budget and plan meet such other financial,  
18 budgetary, or fiscal requirements that the Board may by  
19 rule or regulation establish; ~~and~~

20 (vii) such budget and plan are consistent with the  
21 goals and objectives adopted by the Authority in the  
22 Strategic Plan; and -

23 (vii) such budget and plan include specific line-items  
24 for revenues and expenses.

25 (3) (Blank) .

26 (4) If the Chairman of the Board approves the budget and

1 plan, he or she shall sign it. The Chairman of the Board may  
2 reduce or veto any item of appropriations in the budget or plan  
3 and shall return the item vetoed or reduced with his or her  
4 objections to the Board. A copy of the veto shall also be  
5 delivered to the Service Board that submitted the budget or  
6 plan for approval. Portions of the budget or plan not reduced  
7 or vetoed shall be considered approved. If, within 30 calendar  
8 days after the veto has been delivered to the Board and the  
9 appropriate Service Board, the Board restores an item that has  
10 been reduced or overrides the veto of an item by a record vote  
11 of 14 members, the item shall be considered approved. If a  
12 reduced item is not restored, then it shall be considered  
13 approved in the reduced amount.

14 If ~~Unless~~ the Chairman of the Board ~~by an affirmative vote~~  
15 ~~of 12 of the then Directors~~ determines that the budget and  
16 financial plan of a Service Board does not meet ~~meets~~ the  
17 criteria specified in clauses (i) through (vii) of subparagraph  
18 (2) of this paragraph (b), the Board shall withhold from that  
19 Service Board 25% of the cash proceeds of taxes imposed by the  
20 Authority under Section 4.03 and Section 4.03.1 and received  
21 after February 1 and 25% of the amounts transferred to the  
22 Authority from the Public Transportation Fund under Section  
23 4.09(a) (but not including Section 4.09(a)(3)(iv)) after  
24 February 1 that the Board has estimated to be available to that  
25 Service Board under Section 4.11(a). Such funding shall be  
26 released to the Service Board only upon approval of a budget

1 and financial plan under this Section ~~or adoption of a budget~~  
2 ~~and financial plan on behalf of the Service Board by the~~  
3 ~~Authority.~~

4 (5) (Blank). ~~If the Board has not found that the budget and~~  
5 ~~financial plan of a Service Board meets the criteria specified~~  
6 ~~in clauses (i) through (vii) of subparagraph (2) of this~~  
7 ~~paragraph (b), the Board, by the affirmative vote of at least~~  
8 ~~12 of its then Directors, shall adopt a budget and financial~~  
9 ~~plan meeting such criteria for that Service Board.~~

10 (c)(1) If the Board shall at any time have received a  
11 revised estimate, or revises any estimate the Board has made,  
12 pursuant to this Section of the receipts to be collected by the  
13 Authority which, in the judgment of the Board, requires a  
14 change in the estimates on which the budget of any Service  
15 Board is based, the Board shall advise the affected Service  
16 Board of such revised estimates, and such Service Board shall  
17 within 30 days after receipt of such advice submit a revised  
18 budget incorporating such revised estimates. If the revised  
19 estimates require, in the judgment of the Board, that the  
20 system generated revenues recovery ratio of one or more Service  
21 Boards be revised in order to allow the Authority to meet its  
22 required ratio, the Board shall advise any such Service Board  
23 of its revised ratio and such Service Board shall within 30  
24 days after receipt of such advice submit a revised budget  
25 incorporating such revised estimates or ratio.

26 (2) Each Service Board shall, within such period after the

1 end of each fiscal quarter as shall be specified by the Board,  
2 report to the Authority its financial condition and results of  
3 operations and the financial condition and results of  
4 operations of the public transportation services subject to its  
5 jurisdiction, as at the end of and for such quarter. If in the  
6 judgment of the Board such condition and results are not  
7 substantially in accordance with such Service Board's budget  
8 for such period, the Board shall so advise such Service Board  
9 and such Service Board shall within the period specified by the  
10 Board submit a revised budget incorporating such results.

11 (2.5) The Board shall make a recommendation to the Chairman  
12 of the Board that the Chairman approve or disapprove the  
13 revised budget. The revised budget may not be considered  
14 approved until it has the approval of the Chairman of the  
15 Board. If the Chairman of the Board approves the revised  
16 budget, he or she shall sign it. The Chairman of the Board may  
17 reduce or veto any item of appropriations in the revised budget  
18 and shall return the item vetoed or reduced with his or her  
19 objections to the Board. A copy of the veto shall also be  
20 delivered to the Service Board that submitted the revised  
21 budget for approval. Portions of the revised budget not reduced  
22 or vetoed shall be considered approved. If, within 30 calendar  
23 days after the veto has been delivered to the Board and the  
24 appropriate Service Board, the Board restores an item that has  
25 been reduced or overrides the veto of an item by a record vote  
26 of 14 members, the item shall be considered approved. If a

1 reduced item is not restored, then it shall be considered  
2 approved in the reduced amount.

3 (3) If the Chairman of the Board determines ~~shall determine~~  
4 that a revised budget submitted by a Service Board pursuant to  
5 subparagraph (1) or (2) of this paragraph (c) does not meet the  
6 criteria specified in clauses (i) through (vii) of subparagraph  
7 (2) of paragraph (b) of this Section, the Board shall withhold  
8 from that Service Board 25% of the cash proceeds of taxes  
9 imposed by the Authority under Section 4.03 or 4.03.1 and  
10 received by the Authority after February 1 and 25% of the  
11 amounts transferred to the Authority from the Public  
12 Transportation Fund under Section 4.09(a) (but not including  
13 Section 4.09(a)(3)(iv)) after February 1 that the Board has  
14 estimated to be available to that Service Board under Section  
15 4.11(a). If the Service Board submits a revised financial plan  
16 and budget which plan and budget shows that the criteria will  
17 be met within a four quarter period, the Board shall release  
18 any such withheld funds to the Service Board. The Board by the  
19 affirmative vote of at least 12 of its then Directors may  
20 require a Service Board to submit a revised financial plan and  
21 budget which shows that the criteria will be met in a time  
22 period less than four quarters.

23 (d) All budgets and financial plans, financial statements,  
24 audits and other information presented to the Authority  
25 pursuant to this Section or which may be required by the Board  
26 to permit it to monitor compliance with the provisions of this

1 Section shall be prepared and presented in such manner and  
2 frequency and in such detail as shall have been prescribed by  
3 the Board, shall be prepared on both an accrual and cash flow  
4 basis as specified by the Board, shall present such information  
5 as the Authority shall prescribe that fairly presents the  
6 condition of any pension plan or trust for health care benefits  
7 with respect to retirees established by the Service Board and  
8 describes the plans of the Service Board to meet the  
9 requirements of Sections 4.02a and 4.02b, and shall identify  
10 and describe the assumptions and projections employed in the  
11 preparation thereof to the extent required by the Board. If the  
12 Executive Director certifies that a Service Board has not  
13 presented its budget and two-year financial plan in conformity  
14 with the rules adopted by the Authority under the provisions of  
15 Section 4.01(f) and this subsection (d), and such certification  
16 is accepted by the affirmative vote of at least 12 of the then  
17 Directors of the Authority, the Authority shall not distribute  
18 to that Service Board any funds for operating purposes in  
19 excess of the amounts distributed for such purposes to the  
20 Service Board in the previous fiscal year. ~~A~~ ~~Except when the~~  
21 ~~Board adopts a budget and a financial plan for a Service Board~~  
22 ~~under paragraph (b) (5),~~ a Service Board shall provide for such  
23 levels of transportation services and fares or charges therefor  
24 as it deems appropriate and necessary in the preparation of a  
25 budget and financial plan meeting the criteria set forth in  
26 clauses (i) through (vii) of subparagraph (2) of paragraph (b)

1 of this Section. The Authority shall have access to and the  
2 right to examine and copy all books, documents, papers,  
3 records, or other source data of a Service Board relevant to  
4 any information submitted pursuant to this Section.

5 (e) Whenever this Section requires the Board to make  
6 determinations with respect to estimates, budgets or financial  
7 plans, or rules or regulations with respect thereto such  
8 determinations shall be made upon the affirmative vote of at  
9 least 12 of the then Directors and shall be incorporated in a  
10 written report of the Board and such report shall be submitted  
11 within 10 days after such determinations are made to the  
12 Governor, the Mayor of Chicago (if such determinations relate  
13 to the Chicago Transit Authority), and the Auditor General of  
14 Illinois.

15 (Source: P.A. 97-399, eff. 8-16-11.)

16 Section 99. Effective date. This Act takes effect January  
17 1, 2014.